

City of Madison Lake
Policy and Criteria For Consideration
And Granting of Benefits
Within JOBZ Enterprise Zone

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The City of Madison Lake has received approval from the Minnesota Department of Employment and Economic Development for designation and participation in the State's JOBZ Enterprise Zone Program. A map depicting property for inclusion in this program is attached.

Any business seeking to participate in this program shall submit all of the following information

- .) Information requested on the attached "Outline for Proposal To Madison Lake, MN"
- 2.) Enter into a Business Subsidy Agreement with the Sub-zone Administrator
- 3.) Fill out JOBZ Survey and submit to Sub-zone Administrator to forward to the State
- 4 If business is relocating from another Minnesota Community, enter into a Relocation Agreement with the State
- 5 Submit proper forms to the Department of Revenue to claim appropriate tax exemptions
- 6 Provide information to Sub-zone Administrator for completion of the Minnesota Business Assistance Form (annual business subsidy report).

Following submission of this information, the City shall calculate the estimated annual benefit to be derived by the business seeking assistance. The estimate of benefits shall include real estate tax savings, sales tax savings and state income tax savings. If the JOBZ benefits are to be provided, the City shall conduct a public hearing and may authorize execution of a binding development agreement with the business.

The minimum requirement for consideration of inclusion in the JOBZ program is:

- 1) the creation of one (1) new full-time employment position
- 2) at a base wage benefit package of at least \$14.00 per hour
- 3) and capital investment of at least \$500,000.

If approved for participation, the business may receive benefits for the duration of the program (through December 31, 2015).

While this stated policy and criteria set the minimum standards for consideration of participation, the City Council will evaluate each request based upon the unique factors that result in overall economic benefits to the community. **Meeting the minimum requirements does not guarantee approval for participation!**

Other impacts that the City Council may consider in trying to determine/evaluate overall economic benefit of a specific project to the community include

- Estimate of total job creation/job retention
- Estimate of total capital investment

Estimated market value increase

Potential economic multiplier (e.g. impact/opportunity to increase sales of other businesses within the community)

Ratio of jobs created/retained:estimated subsidy provided

- Ratio of subsidy provided:private investment leverage

Whenever participation in the JOBZ program is granted the City Council shall document the ability of the business to meet the minimum criteria and articulate other anticipated overall economic benefits to the community. The City may require that the qualified business agree to and commit to pay administrative costs for initial review and participation in the program as well as annual fees for monitoring and reporting as required by statute. The amount of these fees will be determined based upon the complexity of the project and corresponding requirements for administrative services.

Adopted by: City Council of the City of Madison Lake

Date of Adoption: August 11, 1999

Modified: March 15th, 2004

EXHIBIT B

CITY OF MADISON LAKE JOB OPPORTUNITY BUILDING ZONE BUSINESS SUBSIDY AGREEMENT

PARTIES

This Agreement is made on April 5, 2004, the Approval Date, by and between the City of Madison Lake, Minnesota local unit of government, with offices at 525 Main Street, Madison Lake, Minnesota 56063, (Telephone Number: 507-243-3011); (hereinafter "Subzone Administrator") and Pro Fabrication, Inc. a non-retail, non-commercial trade or business organized and operating under the laws of the State of Minnesota (hereinafter "Qualified Business"), with its principal offices at 301 1st Street, Madison Lake, MN, 56063 (Telephone Number: (507)243-3441). This Agreement shall become effective upon its Approval Date, or the date on which the last party to the Agreement signs it. In order to satisfy the provisions of the JOBZ statute (M.S. § 469.310 - 469.320) and the Business Subsidy Statute (M.S. § 116J.993 - 116J.995), the Subzone Administrator and a representative of the Qualified Business acknowledge and agree as follows:

II. RECITALS

A. Whereas, the Qualified Business will acquire 4.28 acres of Property located in the City of Madison Lake (as described on Exhibit A to the Development Agreement By and Between the City of Madison Lake and Pro Fabrication, Inc. with property tax identification numbers R 14 05 35 100 011 and R 37 05 35 100 012 (to be split and replatted into a single parcel).

B. Whereas, the Property is located within a designated JOBZ, as described in the Positively Southern MN JOBZ Growth Corridor Application and is currently comprised of vacant land; and

C. Whereas, the Qualified Business has been approved by the Subzone Administrator to be a non-retail, non-commercial new trade or business start-up located within a Zone; and

D. Whereas, subject to Unavoidable Delays, the Qualified Business plans to begin business operations in the Subzone on or before May 1, 2005; and

E. Whereas, the Job Zone Term shall be effective from the Approval Date until December 31, 2015; and

F. Whereas, the Qualified Business agrees to satisfy the provisions of the Business Subsidy Reporting requirements under the Business Subsidy Statute and M.S. § 469.320, Subd. 1. pursuant to Section IV. I. of this Agreement.

III. DEFINITIONS. All capitalized terms used and not otherwise defined herein shall have the following meanings unless a different meaning clearly appears from the context:

A. "Agreement" means this Job Opportunity Building Zone Business Subsidy Agreement by and between "Subzone Administrator" and the "Qualified Business".

B. "Approval Date" means the date upon which the final execution of this Agreement takes place; and after which the Qualified Business has been approved by the Subzone Administrator.

C. "Benefit Date" is the date after which tax benefits shall begin to accrue to the Qualified Business.

D. "Business Subsidy" means tax exemptions or tax credits available to a qualified business located in a job zone, and or a state or local government agency grant, contribution of personal property, real property, infrastructure, the principal amount

of a
loan at rates below those commercially available to the recipient, any reduction or deferral of any tax or any fee, any guarantee
of